

**Exhibit II**

**Fee Application for the period**

**October 1, 2008 through October 31, 2008**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

<u>In re</u>	)	<b>Chapter 11</b>
	)	
<b>W. R. Grace &amp; Co. et al.<sup>1</sup>;</b>	)	<b>Case No. 01-01139 (JKF)</b>
	)	<b>Jointly Administered</b>
<b>Debtors.</b>	)	
	)	

**Objection Deadline:**  
December 29, 2008 at 4:00 p.m.  
**Hearing date:** To be scheduled only if objections  
are timely filed and served.

**NOTICE OF FILING OF MONTHLY FEE APPLICATION**

To: (1) The Debtors; (2) Counsel to the Debtors; (3) The Office of the United States Trustee; (4) Counsel to the Official Committee of Asbestos Personal Injury Claimants; (5) Counsel to the Official Committee of Asbestos Property Damage Claimants; (6) Counsel to the Official Committee of Equity Holders; and (7) Counsel to the Debtors-in-Possession Lenders (8) the Fee Auditor:

Capstone Advisory Group, LLC ("Capstone"), financial advisors to the Official Committee of Unsecured Creditors of the above captioned debtor and debtors in possession in the above-captioned chapter 11 cases, filed and served its Fifty-Seventh Interim Application for Allowance of Compensation and for Services Rendered and Reimbursement of Expenses

<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

Incurred for the period from October 1, 2008 through October 31, 2008 (the "Monthly Fee Application"). Capstone is seeking compensation in the amount of \$79,924.80, representing 80% of \$99,906.00, which is the total amount of fees incurred, and reimbursement for actual and actual and necessary expenses in the amount of \$334.18.

Objections or responses to the Monthly Fee Application, if any, must be made in writing and filed with the United States Bankruptcy Court for the District of Delaware, Marine Midland Plaza, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801, on or before **December 29, 2008 at 4:00 p.m.**

At the same time you must also serve a copy of the objections or responses, if any, upon the following: (i) co-counsel for the Debtors, James H.M. Sprayregen, Esquire, Kirkland & Ellis, 200 East Randolph Drive, Chicago, Illinois 60601 (fax number 312-861-2200), and Laura Davis Jones, Esquire, Pachulski, Stang, Ziehl, Young & Jones P.C., 919 North Market Street, Suite 1600, P.O. Box 8705, Wilmington, DE 19899-8705 (Courier 19801) (fax number 302-652-4400); (ii) co-counsel to the Official Committee of Unsecured Creditors, Lewis Kruger, Esquire, Stroock & Stroock & Lavan LLP, 180 Maiden Lane, New York, New York 10038-4982 (fax number 212-806-6006), and Michael R. Lastowski, Esquire, Duane Morris LLP, 1100 N. Market Street, Suite 1200, Wilmington, Delaware 19801-1246 (fax number 302-657-4901); (iii) co-counsel to the Official Committee of Asbestos Property Damage Claimants, Scott L. Baena, Esquire, Blizin, Sumberg, Dunn, Baena, Price & Axelrod, First Union Financial Center, 200 South Biscayne Boulevard, Suite 2500, Miami, Florida 33131 (fax number 305-374-7593), and Michael B. Joseph, Esquire, Ferry & Joseph, P.A., 824 Market Street, Suite 904, P.O. Box 1351, Wilmington, Delaware 19899 (fax number 302-575-1714); (iv) co-counsel to the Official Committee of Asbestos Personal Injury Claimants, Elihu Inselbuch, Esquire, Caplin & Drysdale,

399 Park Avenue, 36th Floor, New York, New York 10022 (fax number 212-644-6755) and Mark Hurford, Esquire, Campbell & Levine, LLC, Chase Manhattan Centre, 15th Floor, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (fax number 302-426-9947); (v) co-counsel to the DIP Lender, J. Douglas Bacon, Esquire, Latham & Watkins, Sears Tower, Suite 5800, Chicago, Illinois 60606 (fax number 312-993-9767), and Steven M. Yoder, Esquire, The Bayard Firm, 222 Delaware Avenue, Suite 900, P.O. 25130, Wilmington, Delaware 19899 (fax number 302-658-6395); (vi) counsel to the Official Committee of Equity Holders, Thomas Moers Mayer, Esquire, Kramer Levin Naftalis & Frankel LLP, 919 Third Avenue, New York, New York 10022 (fax number 212-715-8000); and (vii) the Office of the United States Trustee, Attn: David Klauder, Esquire, 844 N. King Street, Wilmington, Delaware 19801 (fax number

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302-573-6497); and (viii) the Fee Auditor, to Bobbi Ruhlander, Warren H. Smith and Associates,  
Republic Center, 325 N. St. Paul, Suite 1275, Dallas, TX 75201.

Dated: December 4, 2008  
Wilmington, DE

**RESPECTFULLY SUBMITTED,**



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Co-Counsel for the Official Committee of  
Unsecured Creditors of W. R. Grace & Co., et al.

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
W.R. GRACE & Co., <u>et al.</u> ,	)	Case No. 01-01139 (JKF)
	)	(Jointly Administered)
Debtors	)	
	)	

**FIFTY-SEVENTH INTERIM APPLICATION OF CAPSTONE ADVISORY GROUP,  
LLC, FINANCIAL ADVISORS TO THE OFFICIAL COMMITTEE OF UNSECURED  
CREDITORS, FOR ALLOWANCE OF COMPENSATION FOR SERVICES  
RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED  
(FOR THE PERIOD FROM OCTOBER 1, 2008 THROUGH OCTOBER 31, 2008)**

Name of Applicant:	Capstone Advisory Group, LLC (formerly known as Capstone Corporate Recovery, LLC)
Authorized to Provide Professional Services to:	The Official Committee of Unsecured Creditors
Date of Retention:	June 8, 2004 ( <u>nunc pro tunc</u> to February 4, 2004)
Period for which compensation and reimbursement is sought:	October 1, 2008 through October 31, 2008
Amount of Compensation sought as actual, reasonable and necessary (80% of \$ 99,906.00 ):	\$ 79,924.80
Amount of Expense Reimbursement sought as actual, reasonable and necessary (100%):	<u>334.18</u>
Total Amount Due:	\$ 80,258.98

Capstone replaced FTI Consulting, Inc. ("FTI") as financial advisors to the Official Committee of Unsecured Creditors, nunc pro tunc to February 4, 2004, so ordered by the Court on June 8, 2004.

The total time expended and included herein for the August and September monthly fee statements is 6.0 hours and corresponding compensation requested is \$1,914.00.

This is the Fifty – Seventh Interim Application filed by Capstone. Disclosure for the current period and prior periods is as follows:

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**ATTACHMENT A  
TO FEE APPLICATION**

<b>Date Filed (on or about)</b>	<b>Period Covered</b>	<b>Fees (100%)</b>	<b>Expenses (100%)</b>	<b>Fees (80% of requested fees)</b>
June 10, 2004	February 4, 2004 through February 29, 2004	\$94,882.00	\$3,932.07	\$75,905.60
June 10, 2004	March 1, 2004 through March 31, 2004	\$136,415.50	\$1,819.00	\$109,132.40
<b>Totals First Quarterly</b>	<b>February 4, 2004 through March 31, 2004</b>	<b>\$231,297.50</b>	<b>\$5,751.07</b>	<b>\$185,038.00</b>
June 12, 2004	April 1, 2004 through April 30, 2004	\$61,925.00	\$678.33	\$49,540.00
July 13, 2004	May 1, 2004 Through May 31, 2004	\$32,665.00	\$477.15	\$26,132.00
August 5, 2004	June 1, 2004 through June 30, 2004	\$106,470.50	\$1,119.63	\$85,176.40
<b>Totals Second Quarterly</b>	<b>April 1, 2004 through June 30, 2004</b>	<b>\$201,060.50</b>	<b>\$2,275.11</b>	<b>\$160,848.40</b>
August 31, 2004	July 1, 2004 through July 31, 2004	\$68,533.50	\$667.60	\$54,826.80
September 24, 2004	August 1, 2004 through August 31, 2004	\$99,215.50	\$1,341.49	\$79,372.40
October 28, 2004	September 1, 2004 through September 30, 2004	\$44,918.25	\$658.72	\$35,934.60
<b>Totals Third Quarterly</b>	<b>July 1, 2004 through September 30, 2004</b>	<b>\$212,667.25</b>	<b>\$2,667.81</b>	<b>\$170,133.80</b>

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(FOR THE PERIOD FROM OCTOBER 1, 2008 THROUGH OCTOBER 31, 2008)**

<b>Date Filed (on or about)</b>	<b>Period Covered</b>	<b>Fees (100%)</b>	<b>Expenses (100%)</b>	<b>Fees (80% of requested fees)</b>
December 6, 2004	October 1, 2004 through October 31, 2004	\$57,592.50	229.77	\$46,074.00
December 22, 2004	November 1, 2004 through November 30, 2004	\$84,366.50	\$745.91	\$67,493.20
January 28, 2005	December 1, 2004 Through December 31, 2004	\$82,351.00	\$ 1,943.96	\$65,880.80
<b>Totals Fourth Quarterly</b>	<b>October 1, 2004 through December 31, 2004</b>	<b>\$224,310.00</b>	<b>\$2,919.64</b>	<b>\$179,448.00</b>
February 25, 2005	January 1, 2005 through January 31, 2005	\$69,477.00	\$276.18	\$55,581.60
March 29, 2005	February 1 through February 28, 2005	\$77,228.50	\$1,727.60	\$61,782.80
May 6, 2005	March 1, 2005 through March 31, 2005	\$126,012.00	\$ 494.94	\$100,809.60
<b>Totals Fifth Quarterly</b>	<b>January 1, 2005 through March 31, 2005</b>	<b>\$272,717.50</b>	<b>\$2,498.72</b>	<b>\$218,174.00</b>
June 3, 2005	April 1, 2005 through April 30, 2005	\$ 87,936.00	\$ 435.16	\$ 70,348.80
July 6, 2005	May 1, 2005 through May 31, 2005	\$119,435.00	\$1,275.00	\$ 95,548.00
July 15, 2005	June 1, 2005 through June 30, 2005	\$89,859.00	\$542.69	\$71,887.20



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<b>Totals Sixth Quarterly</b>	<b>April 1, 2005 through June 30, 2005</b>	<b>\$297,230.00</b>	<b>\$2,252.85</b>	<b>\$237,784.00</b>
September 19, 2005	July 1, 2005 through July 31, 2005	\$90,014.50	\$621.03	\$72,011.60
October 7, 2005	August 1, 2005 through August 31, 2005	\$126,233.00	\$1,532.46	\$100,986.40
October 31, 2005	September 1, 2005 through September 30, 2005	75,983.50	\$482.03	\$60,786.80
<b>Totals Seventh Quarterly</b>	<b>July 1, 2005 through September 30, 2005</b>	<b>\$292,231.00</b>	<b>\$2,635.52</b>	<b>\$233,784.80</b>
December 16, 2005	October 1, 2005 through October 31, 2005	95,742.50	\$750.36	76,594.00
December 30, 2005	November 1, 2005 through November 30, 2005	\$118,062.00	\$1,119.74	\$94,449.60
February 9, 2006	December 1, 2005 through December 31, 2005	\$122,018.50	\$938.82	\$97,614.80
<b>Totals Eighth Quarterly</b>	<b>October 1, 2005 through December 31, 2005</b>	<b>\$335,823.00</b>	<b>\$2,808.92</b>	<b>\$268,658.40</b>
March 21, 2006	January 1, 2006 through January 31, 2006	\$85,745.00	\$631.01	\$68,596.00
April 20, 2006	February 1, 2006 through February 28, 2006	\$173,916.50	\$2,359.69	\$139,133.20

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May 9, 2006	March 1 through March 31, 2006	\$141,040.50	\$1,017.99	\$112,832.40
<b>Totals Ninth Quarterly</b>	<b>January 1, 2006 through March 31, 2006</b>	<b>\$400,702.00</b>	<b>\$4,008.69</b>	<b>\$320,561.60</b>
May 23, 2006	April 1, 2006 through April 30, 2006	\$125,055.00	\$1,929.46	\$100,044.00
June 21, 2006	May 1, 2005 Through May 31, 2006	\$146,396.50	\$965.43	\$117,117.20
July 20, 2006	June 1, 2006 Through June 30, 2006	\$140,368.50	\$1,263.86	\$140,368.50
<b>Totals Tenth Quarterly</b>	<b>April 1, 2006 through June 30, 2006</b>	<b>\$411,820.00</b>	<b>\$4,158.75</b>	<b>\$329,456.00</b>
	Adjustment for July photocopies		\$(6.55)	
August 25, 2006	July 1, 2006 through July 31, 2006	\$102,449.00	\$566.51	\$ 81,959.20
October 2, 2006	August 1, 2006 Through August 31, 2006	\$111,154.00	\$505.01	\$88,923.20
November 13, 2006	September 1, 2006 through September 30, 2006	\$75,103.50	\$633.57	\$ 60,082.80
<b>Totals Eleventh Quarterly</b>	<b>July 1, 2006 through September 30, 2006</b>	<b>\$288,706.50</b>	<b>\$1,698.54</b>	<b>\$230,965.20</b>

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<b>Date Filed (on or about)</b>	<b>Period Covered</b>	<b>Fees (100%)</b>	<b>Expenses (100%)</b>	<b>Fees (80% of requested fees)</b>
January 22, 2007	November 1, 2006 Through November 30, 2006	\$98,985.50	\$809.09	\$79,997.49
March 20, 2007	December 1, 2006 Through December 31, 2006	\$59,630.50	\$381.70	\$47,704.40
<b>Totals Twelfth Quarterly</b>	<b>October 1, 2006 through December 31, 2006</b>	<b>\$221,771.50</b>	<b>\$1,397.19</b>	<b>\$177,417.20</b>
April 20, 2007	January 1, 2007 through January 31, 2007	\$55,703.00	\$ 166.00	\$44,562.40
April 20, 2007	February 1, 2007 through February 28, 2007	\$87,120.50	\$ 344.89	\$69,696.40
June 29, 2007	March 1, 2007 through March 31, 2007	\$119,047.50	\$472.38	\$95,238.00
<b>Totals Thirteenth Quarterly</b>	<b>January 1, 2007 through March 31, 2007</b>	<b>\$261,871.00</b>	<b>\$983.27</b>	<b>\$209,496.80</b>
June 29, 2007	April 1, 2007 through April 30, 2007	\$77,267.00	\$221.70	\$61,813.60
July 3, 2007	May 1, 2007 through May 31, 2007	\$101,181.00	\$838.49	\$80,944.80
August 31, 2007	June 1, 2007 through June 30, 2007	\$90,040.50	\$744.21	\$72,032.40
<b>Totals Fourteenth Quarterly</b>	<b>April 1, 2007 Through June 30, 2007</b>	<b>\$268,488.50</b>	<b>\$1804.40</b>	<b>\$214,790.80</b>

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<b>Date Filed (on or about)</b>	<b>Period Covered</b>	<b>Fees (100%)</b>	<b>Expenses (100%)</b>	<b>Fees (80% of requested fees)</b>
October 23, 2007	July 1, 2007 through July 31, 2007	\$78,971.00	\$636.29	\$63,176.80
October 23, 2007	August 1, 2007 through August 31, 2007	\$74,596.00	\$184.06	\$59,676.80
November 7, 2007	September 1, 2007 through September 30, 2007	\$78,887.50	\$396.82	\$63,110.00
<b>Total Fifteenth Quarterly</b>	<b>July 1, 2007 through September 30, 2007</b>	<b>\$232,454.50</b>	<b>\$1217.17</b>	<b>\$185,963.60</b>
January 23, 2008	October 1, 2007 through October 31, 2007	\$51,391.50	\$293.56	\$41,113.20
January 23, 2008	November 1, 2007 through November 30, 2007	\$82,993.00	\$407.99	\$66,394.40
February 7, 2008	December 1, 2007 through December 31, 2007	\$53,730.50	\$308.15	\$42,984.40
<b>Totals Sixteenth Quarterly</b>	<b>October 1, 2007 Through December 31, 2007</b>	<b>\$188,115.00</b>	<b>\$1009.70</b>	<b>\$150,492.00</b>
March 4, 2008	January 1, 2008 through January 31, 2008	\$62,899.50	\$174.14	\$50,319.60
April 14, 2008	February 1, 2008 through February 29, 2008	\$83,686.00	\$423.31	\$66,948.80
May 23, 2008	March 1, 2008 through March 31, 2008	\$88,842.50	\$442.15	\$64,674.00

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<b>Totals Seventeenth Quarterly</b>	<b>January 1, 2008 Through March 31, 2008</b>	<b>\$227,428.00</b>	<b>\$1,039.60</b>	<b>\$181,942.40</b>
June 26, 2008	April 1, 2008 through April 30, 2008	\$ 93,943.50	\$325.30	\$ 75,154.80
July 10, 2008	May 1, 2008 through May 31, 2008	\$ 56,076.00	\$167.26	\$ 44,860.80
September 12, 2008	June 1, 2008 through June 30, 2008	\$ 63,873.50	\$491.33	\$ 51,098.80
<b>Totals Eighteenth Quarterly</b>	<b>April 1, 2008 Through June 30, 2008</b>	<b>\$213,893.00</b>	<b>\$983.89</b>	<b>\$171,114.40</b>
September 25, 2008	July 1, 2008 through July 31, 2008	\$ 57,490.50	\$210.86	\$ 45,992.40
October 17, 2008	August 1, 2008 through August 31, 2008	\$133,751.00	\$1,428.75	\$107,000.80
November 20, 2008	September 1, 2008 through September 30, 2008	\$113,184.00	\$969.07	\$90,547.20
<b>Totals Nineteenth Quarterly</b>	<b>July 1, 2008 Through September 30, 2008</b>	<b>\$304,425.50</b>	<b>\$2,608.68</b>	<b>\$243,540.40</b>
November 21, 2008	October 1, 2008 through October 31, 2008	\$99,906.00	\$334.18	\$79,924.80

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**ATTACHMENT B**

1. Summary of Fees by Professional
2. Summary of Fees by Task Code
3. Detailed Task Descriptions
4. Summary of Expenses

**W.R. Grace & Co.**  
**Capstone Advisory Group, LLC**  
**Summary of Fees by Professional**  
**For the Period 10/1/08 through 10/31/08**

Professional	Position	Billing Rate	Hours	Fees
E. Ordway	Member	\$650	22.70	\$14,755.00
S. Cunningham	Member	\$650	39.00	\$25,350.00
R. Frezza	Consultant	\$550	56.70	\$31,185.00
J. Dolan	Consultant	\$395	72.00	\$28,440.00
N. Backer	Paraprofessional	\$110	1.60	\$176.00
For the Period 10/1/08 through 10/31/08			192.00	\$99,906.00

**W.R. Grace & Co.**  
**Capstone Advisory Group, LLC**  
**Summary of Fees by Task Code**  
**For the Period 10/1/08 through 10/31/08**

<b>Task Code</b>	<b>Task Description</b>	<b>Hours</b>	<b>Fees</b>
01. Acquisitions/Divestitures	During the Fee Application period, the Applicant read and analyzed motion regarding asset sale, performed various analyses and prepared report to Committee thereon.	12.90	\$5,932.50
03. Claims Analysis & Valuation	During the Fee Application period, the Applicant prepared various analyses of claims and prepared accrued interest and facility fee scenarios in relation to the POR and Disclosure Statement.	25.60	\$13,197.00
04. Creditor Committee Matters	During the Fee Application period, the Applicant read and analyzed recent docket submissions and counsel reports regarding property damage settlements and objection issues and participated in Committee meetings.	19.60	\$10,520.50
07. Fee Applications & Invoices	During the Fee Application Period, the Applicant prepared the August and September monthly fee statements.	6.00	\$1,914.00
08. Financial Analysis - Schedules & Statements	During the Fee Application Period, the Applicant analyzed data regarding the August monthly and 3 <sup>rd</sup> quarter results by comparing sales, EBIT, and gross margin to Plan and prior year, as well as a review of industry reports	11.70	\$5,998.50
15. Plan & Disclosure Statement	During the Fee Application Period, the Applicant Read and analyzed the POR, Disclosure Statement And related exhibits and prepared numerous analyses Regarding claims. Prepared objection points to the Disclosure statement, reviewed objection motion and Coordinated with counsel to file necessary documents.	104.50	\$55,628.50
26. Meetings with Debtors/Advisors	During the Fee Application Period, the Applicant met with the Debtor and advisors to discuss interest claims.	11.70	\$6,715.00
<b>For the Period 10/1/08 through 10/31/08</b>		<b>192.00</b>	<b>\$99,906.00</b>



**Invoice for the October 2008 Fee Application**

**W.R. Grace & Co.**  
**Capstone Advisory Group, LLC**  
**Detailed Time Description by Task Code**  
**For the Period 10/1/08 through 10/31/08**

Date	Professional	Hours	Detailed Time Description
01. Acquisitions/Divestitures			
10/23/2008	R. Frezza	2.20	Read and analyzed motions entered regarding acquisitions.
10/24/2008	R. Frezza	1.30	Followed up on motions. Conferred with counsel on next steps.
10/24/2008	J. Dolan	1.80	Read and analyzed divestiture motion and related agreement.
10/27/2008	J. Dolan	2.30	Read and analyzed motion and agreement related to asset sale and prepared follow up questions for the Debtors.
10/30/2008	R. Frezza	1.90	Continued review of acquisition motion. Coordinated with counsel and company on Questions & Answers of management.
10/30/2008	J. Dolan	1.00	Prepared report to the Committee regarding asset sale.
10/31/2008	J. Dolan	2.40	Prepared analyses and report to the Committee regarding asset sale motion.
Subtotal		12.90	
03. Claims Analysis & Valuation			
10/1/2008	J. Dolan	0.60	Read and analyzed counsel's memo regarding property damage claim settlements.
10/1/2008	J. Dolan	0.70	Read and analyzed counsel's memo regarding Canadian ZAI claims.
10/2/2008	E. Ordway	1.10	Read and analyzed data regarding ZAI claims data.
10/5/2008	R. Frezza	2.70	Continued iteration of interest scenarios at counsel's request.
10/5/2008	J. Dolan	1.70	Prepared interest analysis at the request of counsel.
10/5/2008	J. Dolan	1.20	Prepared unsecured claim interest analysis.
10/6/2008	R. Frezza	1.50	Continued iteration of interest scenarios at counsel's request.
10/7/2008	R. Frezza	4.20	Continued iteration of interest scenarios in preparation of discussions with counsel.
10/8/2008	R. Frezza	4.10	Revised interest scenarios based on various assumptions.

Date	Professional	Hours	Detailed Time Description
10/9/2008	J. Dolan	0.90	Prepared interest and facility fee calculations for claims analysis.
10/9/2008	E. Ordway	1.20	Analyzed updated analysis regarding debt capacity.
10/10/2008	E. Ordway	1.40	Prepared analysis of cash and liquidity.
10/10/2008	J. Dolan	0.40	Prepared post petition interest analyses.
10/13/2008	J. Dolan	1.70	Prepared analysis of various interest scenarios and facility fee calculations.
10/13/2008	J. Dolan	1.40	Prepared support schedules for Blackstone meeting.
10/20/2008	E. Ordway	0.80	Analyzed select bond offerings over prior 6 months for pricing data.
Subtotal		25.60	
04. Creditor Committee Matters			
10/1/2008	E. Ordway	0.90	Read and analyzed property damage claims data and counsel's memo thereon.
10/3/2008	S. Cunningham	1.00	Participated in committee call regarding disclosure and plan summary.
10/14/2008	J. Dolan	1.50	Read and analyzed recent docket submissions.
10/16/2008	J. Dolan	1.20	Prepared for and participated in Committee call.
10/16/2008	S. Cunningham	2.10	Prepared for and participated in Committee call.
10/16/2008	E. Ordway	0.70	Prepared for committee call by reviewing notes from debtor meeting.
10/16/2008	E. Ordway	0.90	Participated in committee conference call.
10/20/2008	E. Ordway	0.60	Read counsel's memo regarding court hearing.
10/22/2008	S. Cunningham	1.30	Read counsels recent memos regarding settlements.
10/23/2008	J. Dolan	1.10	Read and analyzed recent docket submissions.
10/23/2008	J. Dolan	2.30	Read and analyzed Objection to the POR memo filed by counsel.
10/27/2008	J. Dolan	0.80	Read and analyzed recent docket submissions.
10/27/2008	R. Frezza	4.60	Read and analyzed various motions filed regarding asset sale.
10/30/2008	E. Ordway	0.60	Read counsel's report on recent court hearing.
Subtotal		19.60	

Date	Professional	Hours	Detailed Time Description
<b>07. Fee Applications &amp; Invoices</b>			
10/14/2008	J. Dolan	1.10	Prepared August Fee Application.
10/16/2008	N. Backer	1.20	Prepared September fee statement.
10/16/2008	J. Dolan	1.10	Prepared September fee application.
10/16/2008	N. Backer	0.40	Prepared August fee statement.
10/23/2008	J. Dolan	1.30	Prepared September fee application.
10/23/2008	J. Dolan	0.90	Prepared August fee application.
Subtotal		6.00	
<b>08. Financial Analysis - Schedules &amp; Statements</b>			
10/1/2008	E. Ordway	0.70	Analyzed latest operating report and summarized items for staff to investigate.
10/2/2008	E. Ordway	1.00	Continued reading latest operating report.
10/3/2008	J. Dolan	2.20	Read and analyzed August monthly operating reports.
10/8/2008	S. Cunningham	3.20	Read and analyzed recent monthly operating reports.
10/15/2008	E. Ordway	0.50	Read and analyzed latest monthly operating report.
10/15/2008	J. Dolan	1.20	Read and analyzed recent operating reports.
10/23/2008	J. Dolan	1.20	Performed final review and distribution of 2Q report to the committee.
10/30/2008	J. Dolan	1.70	Read and analyzed 3rd quarter press release and related exhibits.
Subtotal		11.70	
<b>15. Plan &amp; Disclosure Statement</b>			
10/1/2008	S. Cunningham	2.30	Discussed analyses with team regarding the report to the Committee summarizing and evaluating the Disclosure Statement and POR.
10/1/2008	R. Frezza	6.20	Continued review and analysis of POR documents and report drafting to committee.
10/1/2008	J. Dolan	1.70	Prepared report to the Committee summarizing and evaluating the Disclosure Statement and POR.
10/1/2008	J. Dolan	0.80	Prepared for and participated in call with Blackstone regarding 524g trust.

Date	Professional	Hours	Detailed Time Description
10/2/2008	J. Dolan	0.90	Participated in call with counsel to discuss Disclosure Statement, POR and related analyses.
10/2/2008	J. Dolan	2.70	Prepared analyses and commentary for the report to the Committee regarding the Disclosure Statement and POR.
10/2/2008	J. Dolan	1.60	Prepared a comprehensive claims analysis from the Disclosure Statement including principal claims only.
10/2/2008	R. Frezza	4.80	Continued review of POR documents and report drafting to committee.
10/3/2008	R. Frezza	1.20	Prepared for and participated in Committee call.
10/3/2008	E. Ordway	0.90	Participated in conference call with the committee.
10/3/2008	R. Frezza	3.20	Finalized POR report drafting to committee and circulated to counsel.
10/3/2008	E. Ordway	1.30	Prepared for committee call by reviewing report on POR and preparing talking points.
10/3/2008	S. Cunningham	3.30	Read and analyzed Disclosure Statement and POR documents. Prepared for committee call.
10/3/2008	J. Dolan	1.40	Researched and analyzed interest rates per SEC filings for inclusion in report to the Committee.
10/3/2008	J. Dolan	1.30	Prepared analysis and commentary for report to the Committee regarding the POR and Disclosure Statement.
10/6/2008	J. Dolan	0.70	Prepared interest scenarios based on POR and Disclosure Statement.
10/7/2008	S. Cunningham	3.10	Read and analyzed current claims summary including interest calculations.
10/8/2008	J. Dolan	1.10	Participated for call with counsel to discuss claims analysis.
10/9/2008	J. Dolan	2.60	Prepared summary of objection points related to adequacy of financial disclosures in the POR.
10/9/2008	J. Dolan	3.40	Comprehensive claims analysis of principal and interest per the Disclosure Statement.
10/9/2008	S. Cunningham	4.20	Read and analyzed interest calculations in preparation for meeting with Blackstone.
10/10/2008	S. Cunningham	1.30	Read and analyzed recovery summary per POR.
10/10/2008	R. Frezza	3.20	Prepared memo and analyses for counsel regarding Disclosure Statement clarification motion. Revised interest scenarios.
10/10/2008	J. Dolan	2.60	Analyzed and summarized objection points to the Disclosure Statement and POR.

Date	Professional	Hours	Detailed Time Description
10/10/2008	J. Dolan	1.80	Participated in discussions with counsel regarding objection points to the Disclosure Statement and POR.
10/11/2008	J. Dolan	3.60	Reported to counsel regarding objection points and requests for additional disclosure regarding Disclosure Statement and POR.
10/11/2008	R. Frezza	2.30	Prepared analysis to clarify Disclosure Statement for counsel to file motion.
10/12/2008	R. Frezza	1.80	Prepared analysis to clarify Disclosure Statement for counsel to file motion.
10/13/2008	E. Ordway	1.90	Prepared for meeting with debtor by reviewing reports and other documents.
10/13/2008	J. Dolan	1.80	Prepared for settlement meeting regarding POR.
10/13/2008	E. Ordway	2.00	Prepared/edited presentation to lender/committee regarding intent claim.
10/13/2008	S. Cunningham	2.30	Reviewed Disclosure Statement issues and analyzed items to be further explained.
10/14/2008	E. Ordway	1.30	Prepared for meeting by reviewing notes, documents.
10/14/2008	S. Cunningham	3.10	Reviewed Committee Report regarding POR and Disclosure Statement.
10/14/2008	J. Dolan	0.70	Revisions to the Committee report regarding Disclosure Statement.
10/14/2008	E. Ordway	1.10	Attended pre-meeting for debtor meeting.
10/15/2008	R. Frezza	0.50	Revisions to the Committee report regarding Disclosure Statement.
10/15/2008	E. Ordway	0.20	Communications regarding intent issues and meetings relating thereto.
10/20/2008	S. Cunningham	2.30	Reviewed Committee Report regarding POR and Disclosure Statement.
10/21/2008	S. Cunningham	2.10	Read draft of objection to the Disclosure Statement to be filed with the court.
10/24/2008	J. Dolan	1.60	Read and analyzed objection motion filed by the Committee.
10/24/2008	J. Dolan	1.30	Read and analyzed objection motion prepared by the Lender Group.
10/27/2008	E. Ordway	0.80	Read and analyzed debtors' response to various objections.
10/27/2008	J. Dolan	1.20	Read and analyzed Debtors' response to the Committee's objection.
10/27/2008	S. Cunningham	1.70	Read and analyzed objection memos to POR and open issues.
10/28/2008	R. Frezza	2.10	Continued review of motions and other filings. Debriefed with counsel on disclosure statement objection hearing.
10/28/2008	J. Dolan	2.30	Read and analyzed objection to POR and open issues.

Date	Professional	Hours	Detailed Time Description
10/29/2008	S. Cunningham	1.30	Read and analyzed issues related to Objections to the POR.
10/29/2008	J. Dolan	3.20	Read and analyzed objection to POR and open issues.
10/30/2008	S. Cunningham	2.10	Read and analyzed objection motion prepared by the Lender Group.
10/31/2008	S. Cunningham	2.30	Read and analyzed objection motion filed by the Committee.
Subtotal		104.50	
26. Meetings with Debtors/Advisors			
10/13/2008	R. Frezza	4.20	Met with Grace advisors regarding interest calculations. Performed additional interest analyses in preparation for October 14 meeting.
10/14/2008	R. Frezza	4.70	Prepared for and participated in interest settlement negotiations with Company and counsel. Conferred with counsel on Disclosure Statement objection motion related to financial issues.
10/14/2008	E. Ordway	2.80	Participated in meeting with debtors regarding interest claim.
Subtotal		11.70	
Total Hours		192.00	

**W.R. Grace & Co.**  
**Capstone Advisory Group, LLC**  
**Expense Detail**  
**For the Period 10/1/08 through 10/31/08**

Date	Professional	Detail	Amount
Capstone Expense			
10/14/2008	Research	Pacer	\$25.84
10/15/2008	Telecom	Telecom	\$154.34
Subtotal - Capstone Expense			\$180.18
E. Ordway			
10/14/2008	Parking/Tolls	NYC parking	\$42.00
Subtotal - E. Ordway			\$42.00
R. Frezza			
10/13/2008	Parking/Tolls	Parking - \$25 Tolls - \$8 Miles - \$20	\$52.00
10/14/2008	Parking/Tolls	Parking - \$32 Tolls - \$8 Miles - \$20	\$60.00
Subtotal - R. Frezza			\$112.00
For the Period 10/1/08 through 10/31/08			\$334.18